FARM CREDIT CORPORATION

Annual Report
1987-88

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HEAD OFFICE ADDRESS
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Ce rapport annuel est aussi disponible en français

The Honourable
John Wise, P.C., M.P.
Minister of Agriculture
Room 101, E.B.
House of Commons
Ottawa, Ontario
K1A 0A6

The Honourable
Pat Carney, P.C., M.P.
President of the Treasury Board
Room 440 N
Centre Block
Ottawa, Ontario
K1A 0A6

Dear Ministers:

I am pleased to submit, on behalf of the Board of Directors, the Farm Credit Corporation's annual report for the fiscal year ended March 31, 1988.

In accordance with the Financial Administration Act, the report includes financial statements and the auditor's report.

Yours sincerely,

James J. Hewitt
Chairman

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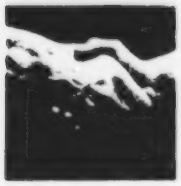


Corporate Profile

Farm Credit Corporation (FCC) was established in 1959 as a Crown agency reporting to Parliament through the Minister of Agriculture. Its role is to provide financial services to enable Canadian farmers to establish, develop and maintain viable farm enterprises.

The Corporation makes and administers farm loans under the authority of the **Farm Credit Act** and the **Farm Syndicates Credit Act**, and administers programs as requested by the federal government.

In addition, counselling and assistance in the planning, organization and development of farm businesses are available to all applicants and borrowers.

The Corporation's head office is in Ottawa. Its operations are decentralized into six regional offices and 102 field and district offices serving all agricultural areas. As of March 31, 1988, FCC had 560 permanent employees.

HIGHLIGHTS

OPERATIONAL	1987-88	1986-87	Change (per cent)
Number of loans approved			
Farm Credit Act	2,674	4,311	-38.0
Farm Syndicates Credit Act	39	44	-11.4
Net amount of loans approved ($000)			
Farm Credit Act	$ 206,759	$ 336,400	-38.5
Farm Syndicates Credit Act	$ 1,367	$ 1,233	+10.9
Average size of loans approved			
Farm Credit Act	$ 124,827	$ 141,530	-11.8
Loans receivable portfolio			
Number of loans receivable	72,182	75,487	-4.4
Amount of loans receivable ($000)	$4,701,630	$4,955,941	-5.1

FINANCIAL	1987-88 ($000)	1986-87 ($000)	Change ($000)
Results of operations			
Interest income	379,999	479,107	-99,108
Net interest expense	87,100	4,980	+82,120
Provision for loan losses	393,419	98,322	+295,097
Loss for the year	511,838	132,490	+379,348
Non-performing loans			
Total owing on non-performing loans	1,056,700	695,900	+360,800
Reduction of interest income due to non-accrual	130,800	55,400	+75,400
Financial position at year-end			
Total assets	4,307,191	4,908,640	-601,449
Total liabilities	4,943,820	5,033,431	-89,611
Capital	218,333	218,333	–
Deficit	854,962	343,124	+511,838
Funds provided by (used in)			
Financing activities	(89,628)	20,897	-110,525
Repayment by farmers	328,360	323,198	+5,162
Loans disbursed to farmers	(240,626)	(315,060)	-74,434

Chairman's Report

Since the Farm Credit Corporation (FCC) was established in 1959, it has played an important role in the development and expansion of Canadian agriculture. Many farmers acknowledge that long-term financing through FCC has been an integral part of their management plans and has enabled them to achieve financial security.

Other farmers, particularly more recent entrants, have not been able to achieve financial stability because of economic events over which they had little control. The market forces that have affected the farm community have, in turn, significantly affected the Corporation. In short, "as goes the farmer, so goes Farm Credit Corporation".

FCC has ended this fiscal year with a loss from operations of $511.8 million, and a deficit of $854.9 million. It is clear that the Corporation cannot sustain losses of this magnitude and remain viable.

At the time of my appointment as Chairman, and that of Gerald Penney as Vice-Chairman in December 1987, Farm Credit Corporation was at a crossroads in its history. Although FCC's only client is the farmer, and our "raison d'être" is to serve the farm community, we are faced with a serious financial dilemma. It is necessary to review our operations, our policies and programs to determine FCC's role in the future. If we are to survive, we have to identify and build on our strengths while dealing with our weaknesses.

We recognize that the employees are one of the Corporation's greatest assets. Along with their education and experience, the employees have a profound understanding of agriculture, many of them having come from a farming background. Living and working in the rural communities, as most do, makes them keenly aware of the problems experienced by our clients.

The fact that FCC has a Board of Directors and an Advisory Committee largely made up of experienced farmers further strengthens the Corporation's ties with agriculture. It also ensures that the concerns of farmers are always considered when policy decisions are made.

On behalf of the Board, management and staff, I would like to thank Eiliv H. Anderson and Paul Babey for their years with the Corporation as Chairman and Vice-Chairman. During their tenure, they helped the Corporation become a leading source of research on farm finance and this has given it a high profile in the agricultural community.

This research capability has led FCC to be innovative in program design. The Shared Risk Mortgage and the Commodity-based Loans (CBL) are two examples of programs that were developed by FCC staff to respond to the specific needs of today's farmers.

In December 1987, recognizing FCC's need to rebuild and our current financial situation, the Prime Minister announced support for the Corporation. The Commodity-based Loan Program was extended to provide for approvals of up to $150 million per year for the next three years. To allow FCC to participate in the Farm Debt Review Board process without increasing costs to future borrowers, the government allocated an additional $100 million per year for the next three years. The Prime Minister also announced the deferment of a loan payment of $103 million, due in January 1988. This indication of support from government is greatly appreciated.

Since December, we have appeared before the Standing Committees on Agriculture of the House of Commons and the Senate. On each occasion, in addition to reporting on the Corporation's activities, we received comments from the committee members on the Corporation's role.

Consultations with FCC's Board and Advisory Committee and representatives of various farm groups continue to be important steps in the evaluation process.

At the direction of the executive, the Corporation's management and staff are currently evaluating FCC policies and programs, and reviewing our operations across Canada. Upon completion of this in-depth analysis, a recovery plan will be presented to the Minister of Agriculture for review and approval. This plan will set the stage for FCC to respond to the needs of Canadian farmers in the 1990's and beyond.

1987-88 in Review

During this fiscal year, FCC directed more resources to the administration of problem accounts. The government's moratorium on FCC foreclosure actions was lifted on May 1, 1987. Subsequently, FCC resumed its loan administration activities in cooperation with the Farm Debt Review Boards.

To facilitate arrangements with farmers under the federal Farm Debt Review process without increasing the cost of credit to future FCC borrowers, the government established a fund in 1986 that the Corporation could access. Thus far, a total of $46.5 million has been offered to assist farmers.

In 1987-88, through legal actions and voluntary transfers, the Corporation acquired 692 properties. As FCC is in the business of providing financial services and not managing properties, we are seeking ways to return these properties to private ownership at a fair and reasonable value.

During this fiscal year, overall demand for long-term credit decreased. It was evident that the farmers FCC serves were looking at ways to consolidate rather than expand their operations. The current financial restructuring of the farm sector has been reflected in FCC's loan portfolio, which decreased from 75,487 accounts for $4.9 billion outstanding on March 31, 1987, to 72,182 accounts for $4.7 billion on March 31, 1988.

Under the Commodity-based Loan Program, which was developed to provide FCC clients in financial difficulty with an improved cash flow, 764 loans were approved for $134.4 million. Even though the demand under this program was lower than anticipated, an internal survey of clients indicates a high level of satisfaction with it. We are currently reviewing the CBL program to see how it can be improved.

One of the major items in this year's financial statements is the allowance for loan losses which has increased from $219 million at March 31, 1987 to $500 million. The general decline in farmland values in recent years has resulted in a lower collateral position for the Corporation on its loan portfolio. This, coupled with the financial difficulties and increasing uncertainties facing many of FCC's borrowers, has led directly to the need for the increase in the Corporation's allowance. The Corporation has also strengthened the process by which it identifies its non-performing loans. It is expected that the earlier recognition of non-performing loans will in turn allow the Corporation to more effectively counsel and serve these borrowers in times of financial stress.

From January to March 1988, the Corporation, in cooperation with Agriculture Canada, Statistics Canada and the provinces, initiated a farm survey to identify changes in the financial structure of Canadian agriculture. This survey is an update of the 1981 and the 1984 surveys which proved valuable in tracking the financial situation of farmers across the country. The data obtained will help governments to develop policies and programs to serve agriculture.

Outlook for 1988-89

Forecasts indicate that over the medium-term, total farm debt will decrease to approximately $17 billion from the high of $22.6 billion in 1985. In 1988-89, the demand for loans from FCC is not expected to exceed the 1987-88 level.

The coming year will be a year of rebuilding for Farm Credit Corporation. The development of innovative programs will continue to occupy FCC staff time. Any programs undertaken by the Corporation must be self-supporting, either through the revenues they generate or through government appropriation. It will be crucial for FCC to identify the long-term costs and benefits of all programs before implementation.

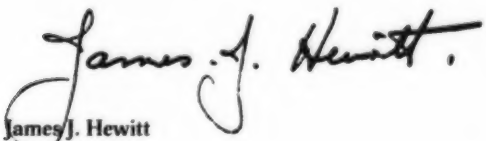
Along with this cost recovery approach on operations, we will require the government's support in the financial restructuring of the Corporation.

The experience of the last decade demonstrates that with improved business management practices farmers and lenders can better monitor the progress of farm businesses. This will allow both farmer and lender to make better decisions and to correct problems as they occur.

The management of acquired properties will present a challenge for FCC during the next fiscal year. Real estate marketing is a time-consuming activity, and FCC staff are fully occupied in lending and loan administration. Therefore, it will be a priority to find the most efficient way to put these properties back in the hands of farmers.

The management of accounts in arrears will continue to be a critical activity for the Corporation. Although the number of cases is actually decreasing, the dollar value is still increasing because a high proportion of the accounts are seriously in arrears. Corporation staff will continue to be firm but fair in their approach to collections and the most serious cases will be channelled through the Farm Debt Review Boards.

The Corporation is indeed at a crossroads in its history. FCC needs the cooperation and financial support of the government as well as the continued dedication of its staff to provide effective services to its clients. It faces the challenge of developing new programs and policies which will meet the needs of Canadian farmers as we move towards the twenty-first century.



James J. Hewitt
Chairman

Report on 1987-88 Corporate Objectives

Objective 1

SERVICE TO FARMERS ■ To meet the financial needs of Canadian farmers by amending, developing and delivering programs and services appropriate to present and future circumstances in the farm sector.

In 1987-88, FCC approved $134.4 million in Commodity-based Loans. Several commodity price indices were added to accommodate borrowers and to more closely relate loan payments to their repayment abilities.

FCC participated in the Farm Debt Review process and as of March 31, 1988 had offered $46.5 million in concessions to farmers.

Other methods of marketing and selling FCC's properties were evaluated to minimize the increase of real estate holdings.

The Corporation began a farm survey in cooperation with Agriculture Canada and Statistics Canada and some provincial governments to obtain updated information on the financial characteristics of Canadian farmers. The results will be useful in adjusting FCC's services and designing new programs to meet the needs of farmers.

Objective 2

HUMAN RESOURCES ■ To be considered consistently one of the most progressive organizations to work for in Canada.

The Corporation believes that its strength lies in the quality of its staff. It promotes working conditions that encourage staff to develop innovative ideas and solutions to problems.

To support this philosophy, the Corporation:

- offered promotional opportunities to FCC staff first;
- introduced an improved dental plan that includes family coverage;
- evaluated and improved the language training program to help staff become bilingual and meet the linguistic requirements of their positions; and
- strengthened a training plan to address needs in appraisal training, computer applications and management training.

FCC also strengthened the human resources planning function and introduced a more formal planning framework to assist management in determining resource requirements.

Objective 3

ORGANIZATIONAL STRUCTURE ■ To organize, structure and operate at maximum effectiveness.

The Corporation initiates organizational reviews when necessary. Last year, Finance, Lending, Management Services and two regions underwent organizational changes to make them more flexible and responsive to the needs of FCC clients.

FCC initiated a formal review and challenge process to ensure that alternative courses of action are fully analyzed and costed before management decisions are taken.

Objective 4

FINANCIAL PERFORMANCE ■ To optimize the Corporation's financial performance by applying sound business principles and practices.

FCC's worsening financial position reflects the extreme economic difficulties farmers face. A thorough review was initiated to assess the Corporation's financial position and to outline corrective actions.

FCC adjusted many of its original performance targets for 1987-88. The major adjustment was a significant increase in the provision for loan losses. The Corporation also revised its criteria for determining the risks of lending to reflect a more appropriate and responsive measure of risk under current conditions.

Additional effort was required from staff due to increased workload in arrears collections, property administration and managing the administrative complexities of the Commodity-based Loan Program. Despite this, FCC completed the year with $35.3 million of administrative expenses which was within its budget of $36.7 million.

Gary Huffman is 20 years old. He graduated from Ridgetown Agricultural College in 1986. FCC is helping him build a farming operation by financing the 100 acres of pasture he bought in Kent County, Ontario.

1988-89 OBJECTIVES

Primary Objective

To restructure and reorganize Farm Credit Corporation into an economically viable position so that it may respond to the financial needs of Canadian farmers.

Secondary Objectives

To explore and develop new services for the benefit of Canadian farmers.

To attract, develop and maintain adequate numbers of well-trained, dedicated employees.

To optimize performance by applying sound business principles and practices.

Bill Brant owns a dairy farm on the Tyendinaga Indian Reserve. An FCC loan helped him get established.

LENDING OPERATIONS

Lending Under the Farm Credit Act

The market for long-term farm credit has been shrinking since 1983, but FCC has maintained its 11.5 per cent share.

During 1987-88, the Corporation approved 2,674 loans for a net amount of $206.8 million. This excludes the amount for refinancing existing FCC loans. The Corporation offered loans with five, 10-, and 15-year or longer fixed-interest terms. In addition to regular loans, the Corporation offered Shared Risk Mortgages, with six-year terms under which the borrower and FCC share the costs or benefits of fluctuating interest rates. Loans under Section 33 of the Farm Credit Act, to beginning farmers for the purpose of establishing their businesses, were for five-year terms, and Commodity-based Loans were for 10-year terms. Table 1 presents the number and amount of loans by interest term.

For the second year, the Corporation offered Commodity-based Loans. Under this program, $134.4 million was approved, for 764 FCC clients. Of this amount, $119.0 million refinanced FCC loans, and $15.4 million was additional credit.

Section 33 loans accounted for 6.0 per cent of five-year mortgages approved during the year, and Commodity-based Loans made up 78.6 per cent of 10-year term loans.

Appeal Boards composed of practicing farmers of proven ability and judgement reviewed the cases of 58 farmers who were not satisfied with the Corporation's decision on their loan applications. As a result, FCC modified its actions in 11 loan applications during the year.

Farm Financial Management

All Corporation applicants and clients are eligible to receive counselling in farm planning and financial management, as well as referrals to other federal and provincial agencies. As of March 31, 1988, 2,201 farmers, compared with 2,666 a year earlier, were enlisted in the formal advisory services program offered by FCC. This figure does not include clients in financial difficulty who received counselling through such government programs as the Farm Debt Review Boards or the Canadian Rural Transition Program.

Loan Administration

At year-end 81.7 per cent of accounts were in good standing, compared with 80.5 per cent in 1986-87. At March 31, 1988, the total owing on accounts in good standing represented 67.8 per cent of the loans receivable portfolio. Before taking into account non-performing loans, the amount of arrears increased 9.1 per cent from last year to reach $376.7 million (Table 5).

Field staff assisted borrowers who were in arrears, but solutions were limited because of low commodity prices. The Corporation considered every account in arrears individually, before taking any action. Where there was a reasonable chance that borrowers could meet their obligations, the Corporation extended the repayment period to allow the farmers to continue operating their farms.

A Portfolio Risk Management Program was developed four years ago. This program analyses FCC's loan loss experience by various categories to estimate the risk of losses in

the future. It is adjusted to reflect the most appropriate estimates of risk under existing conditions. Arrears on loans approved since April 1, 1984 amounted to 2.5 per cent of principal not due, compared with 18.4 per cent on loans approved between April 1, 1980 and March 31, 1984.

The government moratorium on foreclosures by FCC was lifted May 1, 1987. This allowed the Corporation to resume normal collection and recovery activity, and facilitated efforts to resolve difficult situations through the Farm Debt Review process.

Property Management

FCC acquired 692 properties in 1987-88, versus 294 last year, and sold 55 farms under power of sale. The Corporation sold 257 properties to which it held title. As of March 31, 1988, the Corporation had 911 properties on hand. Managing these properties created a significant workload for FCC staff.

Where local real estate markets were strengthening, properties were sold at market rates. FCC leased farmland and building sites at market rates so that local land markets were not depressed by an oversupply of farm properties for sale. To react quickly to changing market conditions and to continue attempts to sell these properties, many leases were for one-year terms. FCC has also made 250 three-year leases which have allowed clients to continue their farming operations. Of the 911 properties on hand as of March 31, 1988, 37.5 per cent were leased back to the original owners so that farmers who have the skills and resources could re-establish their farm operations. Net realized loan losses and losses on the sale of real estate were $16.1 million, compared with $11.6 million in 1986-87. The write-down of real estate held for resale to its net realizable value amounted to $96.3 million, compared with $23.5 million in 1986-87.

FCC participated in the Farm Debt Review process with 2,279 clients and 1,568 cases have been resolved. FCC's participation in the debt review process has been time-consuming and has added considerably to the workload of the Corporation's staff.

The principles used in making concessions are based on an assessment of the risks and potential for financial success. FCC will not make concessions that are proportionately greater than those agreed to by other secured creditors. About 37 per cent of the funds were used for the leaseback of property to the original owner, 27 per cent for the forgiveness of arrears, 13 per cent to reduce interest rates, 13 per cent for selling back building sites to farmers and the remaining 10 per cent for other arrangements. The Government of Canada has committed up to $100 million per year for the next three fiscal years for concessions granted by FCC to farmers.

Table 1 **Loans approved in 1987-88 under Farm Credit Act (by interest term)**

	5-year	6-year	10-year	15-year or longer
Number	836	576	972	290
Net amount ($000)	82,075	57,860	33,650	33,174
% of total	31.3	21.6	36.3	10.8

Table 2 **Purposes for which loans were approved**

	Regular		Commodity-based	
	1987-88 (Per cent)	1986-87 (Per cent)	**1987-88 (Per cent)**	1986-87 (Per cent)
New units	**11.9**	13.8	**0.1**	0.0
Additional land	**30.0**	33.3	**0.8**	1.4
Repay land-secured debts	**23.5**	18.5	**90.7**	90.9
Repay other debts	**14.7**	16.9	**4.4**	5.5
Permanent improvements	**10.5**	8.6	**1.6**	0.7
Equipment	**1.3**	1.5	**0.2**	0.1
Livestock	**1.1**	1.2	**0.1**	0.1
Miscellaneous	**7.0**	6.2	**2.1**	1.3

Table 3 **Financial characteristics of farm operations borrowing from FCC**

	Regular		Commodity-based	
	1987-88 (Average)	1986-87 (Average)	**1987-88 (Average)**	1986-87 (Average)
Total assets	**$616,725**	$577,048	**$501,165**	$516,175
Per cent equity	**57.3**	55.9	**34.1**	33.6
Loan approved	**$104,394**	$109,197	**$175,910**	$204,731
Loan-to-security ratio	**.58**	.60	**.68**	.69

Table 4 **Loans approved by province (Farm Credit Act)**

	1987-88		1986-87	
	Number	**Net Amount ($000)**	Number	Net Amount ($000)
British Columbia	**118**	**16,337**	194	26,458
Alberta	**256**	**15,788**	610	32,927
Saskatchewan	**1,046**	**66,069**	1,767	113,769
Manitoba	**207**	**13,816**	360	28,108
Ontario	**485**	**51,210**	666	78,156
Quebec	**426**	**34,226**	598	46,806
New Brunswick	**67**	**4,536**	62	5,695
Nova Scotia	**4**	**239**	7	862
Prince Edward Island	**52**	**2,904**	32	2,901
Newfoundland	**10**	**1,503**	9	380
Yukon Territory	**3**	**131**	6	338
Canada	**2,674**	**206,759**	4,311	336,400

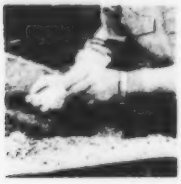
Throughout this mediation process, FCC was mindful of its responsibilities to all of its borrowers. With 80 per cent of accounts up-to-date, its objective must be to encourage those who are paying on time to continue to do so. There are no solutions that will allow all borrowers in financial difficulty to continue in agriculture. For some, the only alternative is to exit from farming. Maintaining this delicate balance of fairness to all of its borrowers was one of FCC's biggest challenges in 1987-88.

Loans Under the Farm Syndicates Credit Act

Syndicate loans are used for the shared purchase and use of farm machinery, buildings and installed equipment. In 1987-88, 39 loans for $1.4 million were approved to syndicates of three or more individuals, the majority of whom were engaged in farming. At the end of the fiscal year, 88 accounts were in arrears for $0.9 million compared with 126 accounts for $1.6 million a year earlier. The Corporation now has 383 loans for $6.0 million outstanding under this Act.

Under the Farm Syndicates Credit Act, the present maximum loan is $15,000 per qualifying member, and $100,000 for a syndicate. In 1988-89, there will be few loans approved under this Act, given current machinery and building costs.

Sukhjinder Senghera and her husband Karnail grow English cucumbers in their Richmond (B.C.) greenhouse. After renting a property for a few years they built enough equity to buy a farm. They used an FCC loan to build a modern greenhouse.



Financial Operations

Results of Operations

In 1987-88, the Corporation incurred a loss of $511.8 million, compared with a loss of $132.5 million during 1986-87. This can be attributed to a larger provision for loan losses resulting from the risks involved in lending in an unstable agricultural economy.

A refinement in the identification of non-performing loans lead to an increase in net interest expense of $82.1 million from 1986-87. The reduction of interest income due to non-performing loans amounted to $130.8 million for the year, compared with $55.4 million in 1986-87.

In 1987-88, administrative expenses increased by $2.3 million to $35.3 million. This increase is due primarily to the additional workload associated with the management of accounts in arrears as well as FCC's participation in government programs such as the Farm Debt Review process and the Commodity-based Loan Program. Administrative expenses were 0.75 per cent of the loans receivable portfolio compared with 0.67 per cent for 1986-87. This percentage also increased because there were fewer loans receivable in the portfolio as a result of write-offs and transfers to real estate.

The Corporation's deficit of $854.9 million at March 31, 1988 net of the contributed capital of $218.3 million, resulted in a deficiency of $636.6 million.

Allowance for loan losses

The purpose of the allowance for loan losses is to reduce the carrying value of the loans receivable portfolio to an amount which is estimated to be collectible in light of current conditions. At March 31, 1988, the allowance was $500.0 million compared to $219.0 million at March 31, 1987. The provision for loan losses, which is charged to operations, increased from $98.3 million in 1986-87 to $393.4 million in 1987-88.

This dramatic increase is due to a number of events and conditions. They include the continued decline in land values during 1987-88, management's expectation that this decline will continue, and uncertainty regarding commodity prices, climatic conditions, and the impact of various federal and provincial government legislation and initiatives.

Cash Flow

In 1987-88, there was a net cash outflow of $69.5 million which includes a reduction of short-term borrowings of $89.6 million. The Corporation began the year with $88.5 million in cash and short-term investments and closed the year with $19.0 million.

Table 5 **Loans receivable portfolio as at March 31, 1988, including non-performing loans (in thousands of dollars)**

	Number	Principal Not Due	Principal and Interest in Arrears	Accrued Interest Not Due	Amounts Held for Future Instalments	Net Total
Loans to farmers (F.C.A.)						
British Columbia	2,154	160,679	11,732	7,273	(4,873)	174,811
Alberta	12,134	614,627	67,126	38,405	(7,479)	712,679
Saskatchewan	23,687	1,453,626	149,231	92,071	(12,722)	1,682,206
Manitoba	7,124	369,212	46,986	19,121	(5,763)	429,556
Ontario	17,101	1,181,023	85,043	48,415	(28,294)	1,286,187
Quebec	6,956	418,924	7,657	16,548	(5,238)	437,891
New Brunswick	881	55,555	2,338	2,567	(1,693)	58,767
Nova Scotia	101	4,910	349	168	(166)	5,261
P.E.I.	851	42,893	3,557	2,318	(835)	47,933
Newfoundland	116	9,926	785	388	(315)	10,784
Canada	**71,105**	**4,311,375**	**374,804**	**227,274**	**(67,378)**	**4,846,075**
Loans to farm syndicates (F.S.C.A.)						
British Columbia	9	167	21	8	0	196
Alberta	39	455	132	32	(9)	610
Saskatchewan	37	481	177	28	(1)	685
Manitoba	56	397	218	23	(17)	621
Ontario	96	1,140	201	53	(27)	1,367
Quebec	120	1,718	160	77	(13)	1,942
New Brunswick	18	252	27	11	(8)	282
Nova Scotia	1	14	0	2	0	16
P.E.I.	2	41	0	2	(2)	41
Newfoundland	5	183	5	7	(4)	191
Canada	**383**	**4,848**	**941**	**243**	**(81)**	**5,951**
Loans receivable from real estate sales (F.C.A.)						
British Columbia	51	3,442	179	154	(45)	3,730
Alberta	70	3,332	76	195	(67)	3,536
Saskatchewan	23	723	13	40	(27)	749
Manitoba	39	2,242	365	132	(7)	2,732
Ontario	346	19,255	1,032	884	(214)	20,957
Quebec	135	6,575	148	310	(51)	6,982
New Brunswick	16	806	33	46	(1)	884
Nova Scotia	2	46	0	2	(1)	47
P.E.I.	8	355	6	38	(3)	396
Newfoundland	4	326	21	13	(8)	352
Canada	**694**	**37,102**	**1,873**	**1,814**	**(424)**	**40,365**
Gross loans receivable	**72,182**	**4,353,325**	**377,618**	**229,331**	**(67,883)**	**4,892,391**
Adjustment to principal and interest relating to non-performing loans		**(41,092)**	**(93,609)**	**(56,060)**	**–**	**(190,761)**
Loans receivable	**72,182**	**4,312,233**	**284,009**	**173,271**	**(67,883)**	**4,701,630**

The main sources of funds for the Corporation in 1987-88 were the loan repayments, including interest, and prepayments received from farmers which totalled $706.9 million ($726.0 million in 1986-87). Cash proceeds from the sale of real property totalled $33.1 million, an increase of $13.6 million over the year before.

During the year, loans disbursed to farmers net of refinancings totalled $240.6 million ($315.0 million in 1986-87).

Borrowings

Unlike recent years, all current FCC borrowings, both short-and long-term, were from the Government of Canada. Prior to the development of a corporate plan outlining recommendations for financial restructuring, the government instructed FCC not to incur any net new borrowings in 1987-88.

Short-term funding from the Consolidated Revenue Fund was arranged to repay maturing money market promissory notes and to fund a portion of the Shared Risk Loan Program. The Corporation began the year with $271.6 million outstanding and ended the year with $181.9 million outstanding.

The Corporation borrowed $345.6 million in long-term funds to refinance maturing debt and to prepay and restructure other debt. This was done in conjunction with the financing of the Commodity-based Loan Program.

Interest Margin

For this fiscal year, the average cost of long-term borrowing was 9.54 per cent and for short-term portfolio borrowing, it was 9.46 per cent. At the same time, the weighted average interest rate on loans disbursed was 10.6 per cent. The margin obtained on lending during the fiscal year was 1.08 per cent.

Financial Statements

Management's Responsibility for Financial Statements

The accompanying financial statements of Farm Credit Corporation and all information in this annual report are the responsibility of management and have been approved by the Board of Directors. The financial statements include some amounts, such as the allowance for loan losses, that are neces sarily based on management's best estimates and judgement.

The financial statements have been prepared in accordance with accounting principles which are generally accepted in Canada and which have been consistently applied. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained. The system of internal control is augmented by internal audit which conducts periodic reviews of different aspects of the Corporation's operations. In addition, the internal and external auditors have full and free access to the Audit Committee of the Board, which oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting.

The independent auditor, the Auditor General of Canada, is responsible for auditing the financial statements and for issuing his report thereon.

James J. Hewitt

James J. Hewitt, C.M.A.
Chairman and
Chief Executive Officer

W. G. Mann

William G. Mann, C.A.
Chief Financial Officer

Auditor's Report

To the Minister of Agriculture

I have examined the balance sheet of Farm Credit Corporation as at March 31, 1988 and the statements of operations and deficit and changes in cash position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1988 and the results of its operations and the changes in its cash position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Corporation that have come to my notice during my examination of the financial statements have, in all significant respects, been in accordance with Part XII of the Financial Administration Act and regulations, the Farm Credit Act and the by-laws of the Corporation.

Kenneth M. Dye

Kenneth M. Dye, F.C.A.
Auditor General of Canada

Ottawa, Canada
June 7, 1988

Farm Credit Corporation
Balance Sheet
as at March 31, 1988

	1988	1987
	(in thousands)	
Assets		
Cash and short-term investments	$ 18,981	$ 88,494
Accounts receivable	632	1,678
Loans receivable (Note 3)	4,701,630	4,955,941
Less: Allowance for loan losses (Note 4)	500,000	219,000
	4,201,630	4,736,941
Real estate	63,000	53,771
Fixed assets	3,481	2,957
Unamortized debt discount and issue expenses	19,467	24,799
	$4,307,191	$4,908,640
Liabilities		
Accounts payable and accrued liabilities	$ 3,970	$ 3,779
Short-term notes	181,943	271,571
Provision for employee termination benefits	2,340	4,190
Loans payable (Notes 5 and 6)	4,755,567	4,753,891
	4,943,820	5,033,431
Deficiency of Canada		
Contributed capital (Note 7)	218,333	218,333
Deficit	(854,962)	(343,124)
	(636,629)	(124,791)
	$4,307,191	$4,908,640

Approved by:

The accompanying notes are an integral part of the financial statements.

James J. Hewitt, C.M.A.
Chairman and Chief Executive Officer

William G. Mann, C.A.
Chief Financial Officer

Farm Credit Corporation
Statement of Operations and Deficit
for the year ended March 31, 1988

	1988	1987
	(in thousands)	
Interest income		
Loans receivable	$377,867	$465,380
Investments	2,132	13,727
	379,999	479,107
Interest expense		
Loans payable	452,045	462,102
Short-term notes	15,054	21,985
	467,099	484,087
Net interest (income) expense	87,100	4,980
Provision for loan losses (Note 4)	393,419	98,322
	480,519	103,302
Other income	(4,019)	(3,885)
Loss before administrative expenses	476,500	99,417
Administrative expenses		
Salaries and employee benefits	25,423	23,947
Office accommodation and equipment	4,035	3,913
Travel and relocation	2,505	2,358
Other	3,375	2,855
	35,338	33,073
Loss for the year	511,838	132,490
Deficit at beginning of the year	343,124	210,634
Deficit at end of the year	$854,962	$343,124

The accompanying notes are an integral part of the financial statements.

Farm Credit Corporation
Statement of Changes in Cash Position
for the year ended March 31, 1988

	1988	1987
	(in thousands)	
Operating activities		
Loss for the year	$(511.838)	$(132.490)
Items not involving cash		
Provision for loan losses	393.419	98.322
Increase in accrued interest on loans receivable	(3.150)	(53.236)
Increase in accrued interest on loans payable	1.676	5.077
Other	5.595	6.053
	(114.298)	(76.274)
Loans to farmers	(240.826)	(315.060)
Loans receivable repaid	328.360	323.198
Proceeds from disposal of real estate	33.060	19.465
Government compensation for loan losses	15.000	5.000
Other	(1.381)	(1.080)
Cash provided by (used in) operating activities	20.115	(44.751)
Financing activities		
Loans from Canada	345.600	–
Loans repaid to Canada	(345.600)	(591.155)
Loans from capital markets	–	581.554
Debt issue expenses	–	(3.576)
Net increase (decrease) in short-term notes	(89.628)	34.074
Cash provided by (used in) financing activities	(89.628)	20.897
Net decrease in cash and short-term investments	(69.513)	(23.854)
Cash and short-term investments at beginning of the year	88.494	112.348
Cash and short-term investments at end of the year	$ 18.981	$ 88.494

The accompanying notes are an integral part of the financial statements.

Farm Credit Corporation
Notes to Financial Statements
March 31, 1988

1. The Corporation

Farm Credit Corporation ("FCC" or "the Corporation") was established in 1959 by the Farm Credit Act as the successor to the Canadian Farm Loan Board and is a Crown corporation named in Schedule C, Part I of the Financial Administration Act. Its role is to provide financial services to enable Canadian farmers to establish, develop and maintain viable farm enterprises.

The Corporation makes and administers farm loans under the authority of the Farm Credit Act and the Farm Syndicates Credit Act, and administers programs as assigned by the federal government.

In view of the deficiency of Canada's equity in the Corporation and FCC's current financial condition, discussions are underway with the government to develop a financial recovery plan. A wide range of options is being considered.

The Corporation operates in one business segment, providing long-term loans to Canadian farmers.

2. Significant accounting policies

A. ALLOWANCE FOR LOAN LOSSES

The allowance for loan losses represents an estimate of probable losses on the accounts outstanding at the end of the year and is based on a review of collectibility of outstanding loans. The allowance has a specific component which is based on the review of outstanding loans in arrears and a general component, which is prudential in nature, to provide for loan losses which have not yet been specifically identified. With respect to this estimate of losses, the Corporation recognizes that future economic and agricultural conditions are not predictable and, therefore, their impact on the collectibility of loans is uncertain.

Actual loan losses and writedowns of acquired real estate to net realizable value are charged to the allowance while recoveries are credited to the allowance. The adjustment of the allowance to the level regarded by management as being appropriate is charged to operations as the provision for loan losses.

B. REVENUE RECOGNITION

Interest income is recorded on an accrual basis until such time as a loan is classified as non-performing. Loans are classified as non-performing when principal or interest is six months past due unless the loan is well secured, or when circumstances indicate doubt as to the ultimate collectibility of principal or interest. When a loan is classified as non-performing, uncollectible accrued interest recognized in the year is reversed, and uncollectible accrued interest recognized in previous years is provided for in the allowance for loan losses.

Payments received on non-performing loans are generally applied to principal, unless management has determined that the loans do not require a specific provision for loss. In this case, interest income is recognized on a cash basis.

Non-performing loans may return to the accrual status when principal and interest are current and ultimate collection is reasonably assured.

Where a non-performing loan is refinanced or renegotiated, uncollected interest is capitalized and recognized as income. The refinanced loan is carried on an accrual basis as long as there is reasonable assurance regarding the ultimate collectibility of principal and interest, and principal or interest is not six months past due.

Loan fees and charges are recorded as other income when earned.

C. REAL ESTATE

Real estate represents farm property acquired in the process of administering the outstanding loans receivable and must be disposed of within five years of acquisition or such further period as the Governor in Council may prescribe. It is carried at the lower of cost and net realizable value.

D. FIXED ASSETS

Fixed assets are recorded at cost less accumulated depreciation or amortization. Depreciation and amortization are generally determined using the straight-line method over the estimated useful lives of the related assets.

E. DEBT DISCOUNT AND ISSUE EXPENSES

Discounts and expenses relating to the issuance of debt are amortized on a straight-line basis over the life of the debt and included in interest expense on loans payable.

F. TRANSLATION OF FOREIGN CURRENCIES

Loans payable in foreign currencies are hedged by currency conversion agreements and are translated into Canadian dollars at the rates provided therein. The differences between the ultimate amounts payable at the contracted rates and the cash proceeds of the debt issues are included with unamortized debt discount and issue expenses. These amounts are amortized by charges to interest expense over the lives of the obligations on a straight-line basis. The interest payable in foreign currencies on this debt is also hedged by currency conversion agreements and is translated into Canadian dollars at the contract rates.

G. PENSION PLAN

The Corporation participates in the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are made equally by both employees and the Corporation. These contributions are expensed during the year in which the services are rendered.

H. EMPLOYEE TERMINATION BENEFITS

On termination of employment, employees are entitled to severance benefits provided for under their terms of employment. The liability for these benefits is recorded as the benefits accrue to the employees.

I. INCOME TAXES

The Corporation records income taxes on the tax allocation basis which recognizes the income tax effect of transactions when they are recorded in accounting income, regardless of when such items are recognized for tax purposes.

3. Loans receivable

	Annual interest rate %	1988	1987
		(in thousands)	
Loans to farmers, secured by mortgages	5-7⅞	$ 484,682	$ 556,501
	8-10⅞	2,119,134	2,067,218
	11-12⅞	1,443,065	1,558,875
	13-16¾	608,433	730,084
		4,655,314	4,912,678
Loans to farm syndicates, secured by notes	6¼-17½	5,951	7,573
Loans receivable from real estate sales, secured by agreements for sale or mortgages	5-15¾	40,365	35,690
		$4,701,630	$4,955,941
Amounts due by fiscal year are as follows:			
Principal past due		$ 63,533	$ 56,325
1988		–	142,476
1989		147,069	163,554
1990		492,665	581,787
1991		267,072	289,975
1992		306,063	316,935
1993		296,655	240,567
1994 and beyond		2,795,921	2,776,783
		4,368,978	4,568,402
Accrued interest - current		112,176	96,944
- arrears		220,476	290,595
		$4,701,630	$4,955,941

At March 31, 1988 the Corporation had 7,950 loans representing $1,056.7 million of loans receivable classified as non-performing (1987 - 4,211 representing $695.9 million). During the year, interest not recognized on non-performing loans amounted to $130.8 million (1987 - $55.4 million). At March 31, 1988 the accumulated interest not recognized on outstanding non-performing loans amounted to $190.8 million (1987 - $95.4 million).

Prepayments of principal from farmers of $157.9 million (1987 - $215.9 million) were received during the year.

During the year, Commodity-based Loans in the amount of $167.8 million (1987 - $242.6 million) were disbursed. Of this amount, $10.0 million (1987 - $13.5 million) was used to pay arrears on the Corporation's previous loans.

4. Allowance for loan losses

The allowance for loan losses is management's best estimate of the probable losses on outstanding accounts. In this regard, a number of events and conditions are not predictable and their impact on losses is uncertain. These include future land values, commodity prices, federal and provincial governments' legislation and initiatives, climatic conditions, and so on; all of which could affect the Corporation's loan losses. Management has made its best estimate of the effect of these events and conditions on loan losses.

In addition, as discussed in Note 11, the federal government has agreed to reimburse the Corporation for concessions made to farmers over the next three years as a result of its participation in the Farm Debt Review Board process. The nature of the concessions to be made through the process and the extent to which they will reduce the Corporation's loan losses is not currently determinable. Accordingly, the impact of the Farm Debt Review process has not been considered in establishing the allowance for loan losses. Such amounts are credited to operations as the benefits of the concessions are passed to the farmers.

A summary of the changes in the allowance for loan losses follows:

	1988	1987
	(in thousands)	
Allowance for loan losses		
Balance at beginning of the year	$219,000	$155,800
Actual loan losses and losses on the sale of real estate, net of recoveries	(16,128)	(11,622)
Write-down of real estate to net realizable value	(96,291)	(23,500)
Provision for loan losses	393,419	98,322
Balance at end of the year	$500,000	$219,000

5. Loans payable

	Annual interest rate %	1988	1987
		(in thousands)	
Loans from Canada, secured by notes			
Farm Credit Act	6-7¾	$ 463,604	$ 538,748
	8-10¾	1,686,685	1,460,830
	11-12	1,148,187	1,298,898
		3,298,476	3,298,476
Farm Syndicates Credit Act	9¼-15½	6,030	6,030
		3,304,506	3,304,506
Loans from capital markets, secured by notes			
Farm Credit Act	8¾ - 12¼	1,328,156	1,328,156
		4,632,662	4,632,662
Accrued interest		122,905	121,229
		$4,755,567	$4,753,891
Amounts due by fiscal year are as follows:			
1988		$ —	$ 201,851
1989		220,787	209,756
1990		641,371	655,290
1991		463,864	454,229
1992		435,554	334,697
1993		660,983	205,494
1994 and beyond		2,210,103	2,371,345
		4,632,662	4,632,662
Accrued interest		122,905	121,229
		$4,755,567	$4,753,891

6. Limits on borrowing

The Farm Credit Act limits the aggregate amount outstanding of the principal borrowings by the Corporation pursuant to the Act to twenty-five times the capital of the Corporation. At March 31, 1988 the Corporation's outstanding borrowings under this Act, comprising short-term notes of $179.0 million and loans payable of $4,617.6 million, were 21.97 times the capital of $218.3 million (1987 — 22.39 times).

The Farm Syndicates Credit Act limits the loans from Canada pursuant to the Act to $25.0 million dollars. At March 31, 1988 the Corporation's loans from Canada under this Act were $6.0 million (1987 — $6.0 million).

The Corporation continues to be restricted in its borrowings. Both short- and long-term funding requirements must be met from the Consolidated Revenue Fund of the Government of Canada, and only with the specific approval of the Governor in Council and the Minister of Finance. Further, FCC has been requested to manage its affairs so that, during the next fiscal year, no net increase in total debt will be required.

7. Contributed capital

The contributed capital of the Corporation represents the amount received from Canada under section 12 of the Farm Credit Act. The statutory limit on this amount is $225.0 million (1987 — $225.0 million). During the current year, no capital was contributed by Canada.

8. Income taxes

As at March 31, 1988 the Corporation has available various timing differences of approximately $813.0 million which have not been recognized in the accounts as these will not be utilized in the foreseeable future. They result primarily from differences between the provision for loan losses charged to operations and the amount claimed for tax purposes pursuant to Section 33 of the Income Tax Act.

In addition, the loss carry-forward for income tax purposes, which has not been recognized in the financial statements, amounts to $21.8 million. Of this amount, $7.7 million will expire on March 31, 1993 and $14.1 million on March 31, 1994.

9. Commitments to farmers

As at March 31, 1988 loans to farmers approved but not disbursed amounted to $22.6 million (1987 — $62.2 million). Of this amount, $21.0 million was for regular loan approvals, most of which were approved at rates from 11.75% to 12.25%. The balance of $1.6 million relates to Commodity-based Loans approved at rates of 6% and 9.125%. It is expected that the majority of these loans will be disbursed within the six-month period ending September 30, 1988 from funds to be borrowed by the Corporation at prevailing rates of interest at the time of borrowing.

10. Operating leases

Future minimum lease payments by fiscal year required under operating leases having initial non-cancellable lease terms in excess of one year are as follows:

	(in thousands)
1989	$1,767
1990	1,678
1991	1,402
1992	1,114
1993	785
1994 and beyond	1,087
	$7,833

These leases generally provide for the payment by the Corporation of real estate taxes and operating expenses in excess of the amounts established at the commencement of the lease term.

11. Government programs

In the February 26, 1986 Budget, the Government directed the Corporation to establish a Commodity-based Loan Program for existing clients who are experiencing financial difficulty and who meet certain eligibility criteria. Under this program, reduced interest rates are available to borrowers and the loan principal is indexed to changes in commodity prices. The resulting net cash flow deficiencies, if any, are made up by the Government. During the year, the Corporation received $10.3 million from the Government in respect of these cash flow deficiencies (1987 - $0.9 million).

The Minister of Agriculture has, subject to annual parliamentary appropriation, been authorized to make payments to the Corporation in amounts equal to concessions that the Corporation has granted to farmers under arrangements made pursuant to the Farm Debt Review Act. The Government has allocated up to $270 million for concessions to be granted over the period ending March 31, 1991. The Corporation is reimbursed at the time farmers realize the benefits of the concessions, which may be over a period as long as five years. Since the inception of the Farm Debt Review process, the Corporation has offered $46.5 million in concessions and received $8.1 million in payments. The difference of $38.4 million will be due and received over the next five years.

12. Comparative figures

Certain 1987 comparative figures have been reclassified to reflect the presentation adopted in 1988.

FIVE-YEAR REVIEW

OPERATIONAL	1987-88	1986-87	1985-86	1984-85	1983-84
Total loans receivable portfolio					
Number of loans receivable	72,182	75,487	78,183	79,270	80,112
Amount of loans receivable ($000)	4,701,630	4,955,941	4,984,298	4,992,725	4,917,100
Under Farm Credit Act					
Number of loans approved	2,674	4,311	2,278	2,316	5,738
Amount of loans approved gross ($000)	333,788	610,134	246,965	258,941	779,007
Amount of loans approved net ($000)	206,759	336,400	237,683	258,745	758,142
Average size of loans approved ($)	124,827	141,530	108,413	116,123	135,763
Percentage of loans in good standing	81.7	80.5	81.9	84.7	87.6
Percentage of total owing in good standing	67.8	65.1	65.9	69.8	76.4
Under CBL					
Number of loans approved	764	1,459	N/A	N/A	N/A
Amount of loans approved gross ($000)	134,396	298,703	N/A	N/A	N/A
Under Farm Syndicates Act					
Number of loans approved	39	44	37	63	92
Amount of loans approved ($000)	1,367	1,233	1,119	1,584	2,855

FINANCIAL	1987-88	1986-87	1985-86	1984-85	1983-84
Revenues and expenses ($000)					
Interest income	379,999	479,107	485,974	527,261	487,260
Net interest (income) expense	87,100	4,980	(11,269)	47,279	(1,440)
Provision for loan losses	393,419	98,322	99,351	46,278	65,708
Administrative expenses	35,338	33,073	34,961	32,086	31,643
Loss for the year	511,838	132,490	121,406	80,178	56,714
Non-performing loans					
Number of non-performing loans	7,950	4,211	–	N/A	N/A
Total owing on non-performing loans ($000)	1,056,700	695,900	–	N/A	N/A
Reduction of interest income due to non-accrual ($000)	130,800	55,400	40,000	N/A	N/A
Financial Position ($000)					
Total assets	4,307,191	4,908,640	5,015,036	4,990,229	4,901,222
Real estate	63,000	53,771	45,805	26,987	14,301
Total liabilities	4,943,820	5,033,431	5,007,337	4,911,124	4,770,339
Equity (Deficiency) of Canada	(636,629)	(124,791)	7,699	79,105	130,883
Selected financial indicators					
Debt-to-equity ratio (Loans payable/equity)	-7.47:1	-38.09:1	618.06:1	56.44:1	36.38:1
Debt-to-capital ratio (Loans payable/capital)	21.78:1	21.77:1	21.79:1	21.55:1	23.07:1
Non-performing loans (Value of non-performing loans/total loans)	22.5%	13.9%	N/A	N/A	N/A

Corporate Directory

Members of the Board

James J. Hewitt, C.M.A.*†
Chairman of the Board and Chief Executive Officer

C. Gerald Penney, C.A.††
Vice-Chairman and Chief Operating Officer

Frank Claydon
Assistant Deputy Minister Agriculture Canada

Blois Dingwell*
Mixed farm operator. Prince Edward Island

George Klosler*
Tobacco, grain, ginseng and hog producer. Ontario

Georges L'Heureux
Dairy farmer. Quebec

Judy A. Lloyd C.M.A.*
Certified Management Accountant. Alberta

Executive Assistant to the Vice-Chairman and Secretary to the Board
Janice Whitters

* *Members of the Audit Committee*
† *Appointed December 11, 1987*
†† *Appointed December 14, 1987*

Advisory Committee

The Advisory Committee is appointed by the Minister of Agriculture to advise him and the Corporation on lending policy matters. Most members are farmers or representatives of farm organizations.

Garnet Rickard
Chairman
Ontario

Don Knoerr
British Columbia

Don Swenson
Saskatchewan

Edward Mazer
Manitoba

Jack Cumming
Ontario

Jeannine Caron-Giasson, C.A.
Quebec

Leon Bremner
New Brunswick

Keith Barrett
Prince Edward Island

Chairmen of Appeal Boards

Appeal Boards, composed of practicing farmers of proven ability and judgement, are established in each province to hear appeals from farmers who are dissatisfied with the Corporation's decision on their loan applications.

E.T. (Ted) Osborn
British Columbia

Gordon Miller
Alberta

Art Missal
Saskatchewan

Kenneth Lyle Young
Manitoba

Edward J. Mailloux
Ontario

Robert Brochu
Quebec

W. Burris Coburn
New Brunswick

Thomas Meredith
Nova Scotia

Wilbert MacKenzie
Prince Edward Island

Dennis Galway
Newfoundland

Senior Executives

James J. Hewitt, C.M.A.
Chairman and
Chief Executive Officer

C. Gerald Penney, C.A.
Vice-Chairman and
Chief Operating Officer

Janice Whitters
Executive Assistant
to the Vice-Chairman and
Secretary to the Board

Terry Kremeniuk
Director, Research and
Planning

Brian Strom
Director, Lending Operations

Louise Neveu
Director, Management Services

Pierre Laflamme
Director, Corporate Audit

William G. Mann, C.A.
Chief Financial Officer

Thomas R. Robertson
Treasurer

John J. Poirier, C.A.
Controller

Jean-E. Brassard
Legal Counsel

	Regional Offices	District Offices	Field Offices
British Columbia/ Alberta	George Jones * Suite 200 595 K.L.O. Road Kelowna, B.C V1Y 8E7 (604) 762 2416	Kelowna	Abbotsford, Dawson Creek, Kelowna, Prince George
	George Jones * 101 St. Building Suite 1550 10250-101 St. Edmonton, Alberta T5J 3P4 (403) 495-4488 * Location: Edmonton	Grande Prairie, Lacombe, Lethbridge, Vegreville, Westlock	Athabasca, Barrhead, Brooks, Calgary, Camrose, Drumheller, Edmonton, Evansburg, Fairview, Falher, Hanna, High Level, Medicine Hat, Olds, Peace River, Stettler, St. Paul, Vermilion, Wainwright, Wetaskiwin
Saskatchewan	Dave Fraser 110-2401 Saskatchewan Dr. Regina, S4P 4H9 (306) 780-5610	North Battleford, Prince Albert, Regina, Saskatoon, Swift Current, Yorkton	Assiniboia, Carlyle, Humboldt, Kindersley, Meadow Lake, Moose Jaw, Rosetown, Tisdale, Weyburn, Wynyard
Manitoba	Russ Holm 400-5 Donald St. Winnipeg, R3L 2T4 (204) 983-4039	Brandon, Portage la Prairie, Winnipeg	Arborg, Carman, Dauphin, Killarney, Morden, Neepawa, Swan River, Virden
Ontario	Bob Aumell 450 Speedvale Ave. W. Guelph, NlH 7G7 (519) 821-1330	Chatham, Guelph, Lindsay, Nepean, North Bay, Walkerton, Woodstock	Barrie, Campbellford, Cornwall, Essex, Goderich, Kingston, Lambeth, Listowel, New Liskeard, Owen Sound, Simcoe, Stratford, Vineland, Wyoming
Quebec	Jacques Doran Champlain Bldg. 2700 Laurier Blvd. Ste-Foy, GlV 4C7 (418) 648-3993	Cap-de-la-Madeleine, Ste-Foy, St-Hyacinthe, St-Jean, Rock Forest	Arthabaska, Drummondville, Granby, Hull, Joliette, Rimouski, Roberval, St-Georges de Beauce, St-Jérôme, Valleyfield
Atlantic	John van Abbema Suite 230 1133 St. George Blvd. Moncton, N.B. EIE 4E1 (506) 857-6595	Charlottetown, Moncton	Fredericton, Grand Falls, Sussex, Woodstock, Kentville, Truro, Summerside, St. John's

Farm Credit Corporation Canada

Société du crédit agricole Canada

Canada